



State & Federal Contractors Water Agency

1121 L Street, Suite 802, Sacramento, CA 95814

September 22, 2010

Mr. Philip Isenberg
Chair, Delta Stewardship Council
650 Capitol Mall
Sacramento, CA 95814

Re: Environmental Water Caucus Proposal for Council Work Group re Alternative Water Solution

Dear Mr. Isenberg and Council members:

We have reviewed the Environmental Water Caucus' presentation on its Alternative for the Delta Stewardship Council and request to set up a work group to pursue their proposal and urge you to reject the request. There is no need for the Council to revisit that which was reviewed by the Delta Vision process and has been evaluated carefully by credible independent analysts in recent years whose recommendations mirror the charge of the Council – to pursue both ecosystem restoration in the Delta and a reliable water supply for the State.¹ The premises that the EWC bases its assumptions have been addressed before and have been proven wanting, as discussed below. Additionally, the EWC asks the council to ignore its legislative mandates regarding inclusion of the Bay Delta Conservation Plan in its Delta Plan, and its overall co-equal goals.

EWC Asks the Council to Ignore its Legal Mandates

The EWC's proposed alternative asks the Council to scrap the Bay Delta Conservation Plan and ignore legislative mandates related to both your mission and specific water management activities prescribed in the Delta Reform Act (Act). The legislature decided the BDCP "shall" be part of the Delta Plan if certified by DFG as satisfying the applicable legislative criteria. The Council has been designated as a "responsible agency" for the purposes of the EIR/EIS process which already provides the Council will the ability to review and comment regarding the alternatives being developed and analyzed to meet the co-equal goals. Water conservation is being addressed through 20 x 2020 processes and ongoing discussions regarding agricultural water use efficiency improvements. Infrastructure investments are mandated in the Act as one of the eight central components of "Delta Policy" [85020(f) – Improve the water conveyance system and expand statewide water storage]. The "public trust balance" requires

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¹ See: Comparing Futures for the Sacramento-San Joaquin Delta, Public Policy Institute of California, 2008.
Jay Lund, Ellen Hanak, William Fleener, William Bennett, Richard Howitt, Jeffrey Mount, and Peter Moyle

satisfaction of the public interest as well, which requires reliable and adequate water supplies to meet California's economic and public health and safety needs.

The EWC Perpetuates Water Myths

In its third slide the EWC attempts to perpetuate one of the water myths of California, debunked by the Public Policy Institute of California that "we can conserve our way out of our water problems"². The EWC greatly overstates the effectiveness of water savings. In particular generally citing but not providing a reference for a Pacific Institute Study, they cite 8 MAF in potential agricultural efficiencies, which is grossly misleading in terms of what that could mean for the Delta and statewide water supply. The only meaningful analysis of water conservation potential relative to Delta flows has to take into account basin-wide efficiencies, as did Bulletin 160-05, also cited. Savings in one place that simply reduce supplies elsewhere are not effective in bridging the gap between supply and demand regionally or statewide.

While water conservation and alternative water resource development are important keystones in a comprehensive plan for statewide water management the effective potential is grossly exaggerated by the EWC.

Groundwater Storage and Recycled Water Require a Conveyance Fix

The EWC notes large potential for new groundwater storage and wastewater recycling but argues for "no new infrastructure". Both of those activities almost always require new infrastructure. Further, to store excess wet period flows in groundwater basins requires means to move the water captured in wet periods from reservoirs upstream of the Delta across the Delta to downstream groundwater basins. Optimal water recycling will require improvements in the export quality of water transported to areas of the state where wastewater now is discharged to the ocean. Both of these activities require improved Delta conveyance to allow for transfer of water previously stored upstream and to improve export water quality so that it can be economically recycled.

Drainage Impacted Farmlands

The claim that retirement is the most reliable and cost-effective "solution" is devoid of serious analysis or fact. It both misstates the nature of the problem and ignores active solutions being implemented. Referring to these lands as "toxic" is an emotional pejorative which is deliberately misleading in trying to imply a problem that does not exist as stated. The reality is that the West Side Drainage Plan for which local landowners within the San Luis and Delta Mendota Water Authority and the State of California have invested over \$70 million to date has halved the salt and selenium loads to the Delta from this region. State mandated water quality requirements have been consistently met for over ten years and completion of the plan is expected to eliminate regular subsurface farmland drainage from the Grasslands drainage area to the Delta. Similar techniques are proposed to be utilized in Westlands Water District, which does not drain to the Delta, to manage drainage impacted lands within the District. While fallowing of select lands is part of salt management plans, there is simply no need for whole scale retirement of lands to successfully address this issue. These lands develop about \$12 billion in economic value for California annually. It is simply incorrect on its face to posit this scale of retirement a "cost-effective" solution, especially when a false definition of the problem is posed.

² See: California Water Myths, Public Policy Institute of California, 2009 Ellen Hanak, Jay Lund, Ariel Dinar, Brian Gray, Richard Howitt, Jeffrey Mount, Peter Moyle, and Barton "Buzz" Thompson

EWC's Export Reductions and Delta Flows Recommendation is Contrary to Other Reasoned Recommendations

The EWC incorrectly cites exports as the "primary cause of decline of the Delta and species". We challenge the EWC to produce a single peer-reviewed publication that substantiates this claim. However, as noted by the PPIC: "A good villain is always rhetorically useful and makes problems seem easier to solve."³ The reality as found by credible research regarding Delta problems and as concluded by the Delta Vision Task force is that there are likely many causes of Delta decline and all significant stressors must be addressed if we are to restore more natural ecosystem functions for the Delta. Fundamental to understanding the relative role of these stressors is creation of life cycle models of fisheries to sort out which among the stressors are most detrimental to improved fish populations and must be addressed. These models are only now being developed.

The California Department of Fish and Game has recently released a report analyzing all Delta Stressors.⁴ In this report they identify 27 important stressors on Delta Related Organisms, sorting them into three categories of importance to address. While the export projects are identified as a priority stressor, the solution relative to the impact is not to reduce diversions, rather in nearly each analysis of the effect of the Projects on fisheries DFG states "Isolate and screen a conveyance system that carries water around the Delta". Further, as noted the PPIC: "A peripheral canal is a necessary component of a long-term solution that serves economic and ecosystem objectives co-equally."⁵ Finally, the need for new conveyance was concluded by the Delta Vision Task Force as well as the Legislature.

Exports and Fish Populations

The graph produced by the EWC on this subject is misleading for a number of reasons. One, the EWC implies a correlation here without providing the statistics to back it. Additionally, correlation is not causation and they offer no analysis of why any purported correlation has a biological basis. Three, the graph glaringly omits years beyond 2007 when exports were dramatically lower and yet fish did not recover. Four, unless exports are put in the context of water available in the system and outflow in a given year, such analysis is meaningless. In years where exports were up in the 2000-2007 period, overall delta outflows were also up dramatically. Yet the EWC does not claim then that increased outflows are causing fish declines.

In 2005 and interagency program was formed to study the reasons for the steep decline in Bay-Delta pelagic organisms. While hypothesizing increases in and changing of timing of exports in the early and mid part that decade may have been a fundamental driver for this change, the research to date has not supported that as anything more than one of many factors potentially in play. A new report from this ongoing effort is expected at the upcoming Delta Science Conference. More recently, food web problems and in particular, nutrient loading and nutrient imbalances resulting from wastewater discharges are being show to have much stronger correlation and causation linkages to pelagic organism decline.

³ Hanak, p 6.

⁴ A Report to the California Fish and Game Commission on Stressors Impacting Delta Related Organisms, Department of Fish and Game, 2010.

⁵ Lund, et.al.

Crash of Central Valley Chinook Salmon

The EWC attempts to provide a correlation to salmon decline that does not hold up under any scrutiny. They attempt to assign the crash to when the Export projects diverted more than 5 MAF. Their own data on the prior slide shows that export rates exceeded 5 MAF in '84-87, '88-91, and '96-99 yet runs were improving in many of those years. Clearly, something else is at work here. The National Marine Fisheries service has concluded that this most recent decline is likely related to ocean conditions. Their report can be found at: <http://www.nwfsc.noaa.gov/resources/featurefind/article.cfm?articleID=525>

Summary

The EWC proposal provides no path to meeting the Council's co-equal goal. It is merely a grab bag of disparate and oversold tactics cobbled together into an incoherent whole that will not serve achievement of the coequal goals. We urge the Council not to squander its credibility and resources by ignoring the body of work which resulted in the creation of the Council and its mandates.

Sincerely,

A handwritten signature in black ink, appearing to read "Byron Buck", with a long, sweeping horizontal line extending to the right.

Byron M. Buck
Executive Director